



Billing Code: 6560-50-P

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

**[EPA-R09-OAR-2013-0094; FRL-9783-2]**

**Revision of Air Quality Implementation Plan; California; Placer  
County Air Pollution Control District and Feather River Air  
Quality Management District; Stationary Source Permits**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing a limited approval and limited disapproval of permitting rules submitted by California as a revision to the Placer County Air Pollution Control District (PCAPCD) and Feather River Air Quality Management District (FRAQMD) portion of the California State Implementation Plan (SIP). These rules were adopted by the PCAPCD and FRAQMD to regulate the construction and modification of stationary sources of air pollution within each District. EPA is proposing to approve these SIP revisions based on the Agency's conclusion that the rules are consistent with applicable Clean Air Act (CAA) requirements, policies and guidance. Final approval of these rules would make the rules federally enforceable and correct program deficiencies identified in a previous EPA rulemaking (76 FR 44809, July 27, 2011).

**DATES:** Any comments must arrive by [Insert date 30 days from the date of publication in the Federal Register].

**ADDRESSES:** Submit comments, identified by docket number EPA-R09-OAR-2013-0094, by one of the following methods:

1. *Federal eRulemaking Portal:* <http://www.regulations.gov>.

Follow the on-line instructions.

2. *E-mail:* [R9airpermits@epa.gov](mailto:R9airpermits@epa.gov).

3. *Mail or deliver:* Gerardo Rios (Air-3), U.S. Environmental Protection Agency Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

*Instructions:* All comments will be included in the public docket without change and may be made available online at <http://www.regulations.gov>, including any personal information provided, unless the comment includes Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Information that you consider CBI or otherwise protected should be clearly identified as such and should not be submitted through <http://www.regulations.gov> or e-mail. <http://www.regulations.gov> is an "anonymous access" system, and EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send e-mail directly to EPA, your e-mail address will be

automatically captured and included as part of the public comment. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

*Docket:* EPA has established a docket for this action under EPA-R09-OAR-2013-0094. Generally, documents in the docket for this action are available electronically at <http://www.regulations.gov> or in hard copy at EPA Region IX, 75 Hawthorne Street, San Francisco, California. While all documents are listed at <http://www.regulations.gov>, some information may be publicly available only at the hard copy location (e.g., copyrighted material, large maps, multi-volume reports), and some may not be publicly available in either location (e.g., CBI). To inspect the hard copy materials, please schedule an appointment during normal business hours with the contact listed in the **FOR FURTHER INFORMATION CONTACT** section.

**FOR FURTHER INFORMATION CONTACT:** Laura Yannayon, EPA Region IX, (415) 972-3534, [yannayon.laura@epa.gov](mailto:yannayon.laura@epa.gov).

**SUPPLEMENTARY INFORMATION:** Throughout this document, "we," "us" and "our" refer to EPA.

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#### I. The State's Submittal

##### A. *What rules did the State submit?*

Table 1 lists the rules addressed by this proposal, including the dates they were adopted by the local air agency and submitted by the California Air Resources Board (CARB).

Table 1 - Submitted Rules

Local Agency	Rule #	Rule Title	Amended	Submitted
PCAPCD	502	New Source Review	10/31/11	11/18/11
FRAQMD	10.1	New Source Review	2/7/12	9/21/12

CARB's SIP submittal includes evidence of public notice and adoption of these regulations. We find that the submittals for PCAPCD and FRAQMD Rules 502 and 10.1, respectively, meet the

completeness criteria in 40 CFR part 51, appendix V, which must be met before formal EPA review.

*B. Are there other versions of these rules?*

EPA approved a previous version of Rules 502 and 10.1, into the SIP on July 27, 2011 (76 FR 44809).<sup>1</sup>

*C. What is the purpose of the submitted rules?*

Section 110(a)(2) of the CAA requires that each SIP include, among other things, a preconstruction permit program to provide for regulation of the construction and modification of stationary sources within the areas covered by the plan as necessary to assure that the National Ambient Air Quality Standards (NAAQS) are achieved, including a permit program as required in parts C and D of title I of the CAA. For areas designated as nonattainment for one or more NAAQS, the SIP must include preconstruction permit requirements for new or modified major stationary sources of such nonattainment pollutant(s), commonly referred to as "Nonattainment New Source Review" or "NSR." CAA 172(c)(5).

The Sacramento Valley Air Basin and Mountain Counties Air

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<sup>1</sup> In our previous action, we stated that Rule 502, New Source Review would replace existing SIP approved Rule 508, New Source Review. However, in our final action, we did not include the proper regulatory text to remove Rule 508 from the SIP. As part of this action, we will include the necessary regulatory text to remove Rule 508 from the SIP, since it has already been replaced by Rule 502.

Basin portions of Placer County are currently designated and classified as severe nonattainment for the 1997 and 2008 8-hour ozone NAAQS. The Sacramento Valley Air Basin portion of Placer County is currently designated nonattainment for the 2006 24-hour  $PM_{2.5}$  NAAQS. See 40 CFR 81.305.

The FRAQMD contains all or parts of the Sacramento Valley (Sutter County portion), the Yuba City-Marysville (all of Sutter County and a portion of Yuba County) and the Sutter Buttes (Sutter County portion) Air Basins. The Sacramento Valley portion is currently designated and classified as severe nonattainment for the 1997 and 2008 8-hour ozone NAAQS and designated nonattainment for the 2006 24-hour  $PM_{2.5}$  NAAQS. The Sutter Buttes portion is currently designated and classified as moderate nonattainment for the 1997 8-hour ozone NAAQS and designated nonattainment for the 2006 24-hour  $PM_{2.5}$  NAAQS. The Yuba City-Marysville portion is currently designated nonattainment for the 2006 24-hour  $PM_{2.5}$  NAAQS. See 40 CFR 81.305.

Therefore, California is required under part D of title I of the Act to adopt and implement a SIP-approved NSR program for the nonattainment portions of each District that applies, at a minimum, to new or modified major stationary sources of the

following pollutants: volatile organic compounds (VOCs), nitrogen oxides (NO<sub>x</sub>), particular matter of 2.5 microns or less (PM<sub>2.5</sub>) and sulfur oxides (SO<sub>x</sub>).<sup>2</sup>

Rule 502 (New Source Review) and Rule 10.1 (New Source Review) implement the NSR requirements under part D of title I of the CAA for new or modified major stationary sources of these nonattainment pollutants within each District. The PCAPCD and FRAQMD amended Rules 502 and 10.1, respectively, to correct program deficiencies identified by EPA on July 27, 2011 (76 FR 44809).

## **II. EPA's Evaluation and Proposed Action**

### *A. How is EPA evaluating the rules?*

EPA has reviewed the submitted permitting rules for compliance with the CAA's general requirements for SIPs in CAA section 110(a)(2), EPA's regulations for stationary source permit programs in 40 CFR part 51, subpart I ("Review of New Sources and Modifications"), and the CAA requirements for SIP revisions in CAA section 110(l).<sup>3</sup> As explained below, EPA is proposing a limited approval and limited disapproval for each of

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<sup>2</sup> VOCs and NO<sub>x</sub> are subject to NSR as precursors to ozone, and NO<sub>x</sub> and SO<sub>x</sub> are subject to NSR as precursors to PM<sub>2.5</sub> in both Districts. See 40 CFR 51.165(a)(1)(xxxvii)(C).

<sup>3</sup> Section 110(l) of the CAA requires SIP revisions to be subject to reasonable notice and public hearing prior to adoption and submittal by states to EPA and prohibits EPA from approving any SIP revision that would interfere with any applicable requirement concerning attainment and reasonable further progress or any other applicable requirement of the Act.

the submitted rules.

*B. Do the rules meet the evaluation criteria?*

With respect to procedures, CAA sections 110(a) and 110(l) require that revisions to a SIP be adopted by the State after reasonable notice and public hearing. EPA has promulgated specific procedural requirements for SIP revisions in 40 CFR part 51, subpart F. These requirements include publication of notices, by prominent advertisement in the relevant geographic area, of a public hearing on the proposed revisions, a public comment period of at least 30 days, and an opportunity for a public hearing.

Based on our review of the public process documentation included in the PCAPCD's November 18, 2011 and FRAQMD's September 21, 2012 rule submittals, we find that the State has provided sufficient evidence of public notice and opportunity for comment and public hearings prior to adoption and submittal of these rules to EPA.

With respect to substantive requirements, EPA has reviewed the submitted rules in accordance with the CAA and regulatory requirements that apply to NSR permit programs under part D of title I of the Act. Based on our evaluation of these rules, except for the deficiencies noted in the TSDs and summarized in



the Proposed Action section of this notice, we are proposing to find that the rules meet the CAA and regulatory requirements for NSR permit programs in part D of title I of the Act and EPA's NSR implementing regulations in 40 CFR section 51.165 for new or modified major stationary sources proposing to locate within each District. Final approval of Rule 502 and Rule 10.1 would correct all deficiencies in PCAPCD's and FRAQMD's permit programs identified in our July 27, 2011 final rule. See 76 FR 44809. The Technical Support Documents (TSD) for this action contains a more detailed discussion of our evaluation.

*C. Proposed action and request for public comment.*

For the reasons given above, under CAA section 110(k)(3) and 301(a), we are proposing a limited approval and limited disapproval of Rule 502 and Rule 10.1 because, although each rule would strengthen the SIP and they meet the applicable requirements for SIPs in general, they contain certain deficiencies related to NSR SIPs in particular that prevent our full approval. The primary deficiencies for Rule 502 pertain to an inadequate definition of the term "Regulated NSR Pollutant" and a missing justification for the stated PM<sub>2.5</sub> interpollutant offset ratios. The primary deficiencies for Rule 10.1 pertain to an inadequate definition of the term "Regulated NSR Pollutant"

and certain language in new Sections B.4 and B.5 which exempts pollutants which are designated nonattainment when EPA approves a redesignation to attainment for that pollutant. As worded, the provision is too broad, in that it exempts such pollutants from all the requirements of Section E of the rule, rather than just those provisions which apply to major sources of nonattainment pollutants. Please refer to the TSD for this action for additional information. The deficiencies can be remedied by each District by revising their rule to update the definition of "Regulated Air Pollutant" and correcting the rule language cited above. If EPA finalizes the limited approval and limited disapproval action, as proposed, then a sanctions clock, and EPA's obligation to promulgate a Federal implementation plan, would be triggered because the revisions to the District rule for which a limited approval and limited disapproval is proposed is required under the 8-hour ozone standard and 24-hr PM<sub>2.5</sub> standard.

We will accept comments from the public on this proposal for the next 30 days.

### **III. Statutory and Executive Order Reviews**

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of

the Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve State choices, provided that they meet the criteria of the Clean Air Act. Accordingly, this action merely proposes to approve State law as meeting Federal requirements and does not impose additional requirements beyond those imposed by State law. For that reason, this proposed action:

- is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.);
- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);

- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act; and
- does not provide EPA with the discretionary authority to address disproportionate human health or environmental effects with practical, appropriate, and legally permissible methods under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this proposed rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP is not approved to apply in Indian country located in the State, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control,  
Incorporation by reference, Intergovernmental relations, Ozone,  
Particulate matter, Reporting and recordkeeping requirements,  
Volatile organic compounds.

**AUTHORITY:** 42 U.S.C. 7401 *et seq.*

Dated: February 12, 2013      Jared Blumenfeld,  
Regional Administrator,  
Region IX.

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